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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

NADINE MACALUSO, an individual, and
GEORGE BENEDICT, as trustee of the
Belfort Family Trust,

Plaintiffs,

vs.

SBP PROPERTY INVESTMENTS, INC., a
Nevada corporation, HARRY SHUSTER,
NITA SHUSTER, STANLEY SHUSTER,
BRIAN SHUSTER, SHANALEE PLAZA,
INC., a Nevada corporation, and DOES 1-10,
inclusive,

Defendants.

CASE NO.

COMPLAINT FOR:

- (1) DECLARATORY RELIEF;
- (2) CONVERSION;
- (3) BREACH OF FIDUCIARY DUTY;
- (4) FRAUD;
- (5) FRAUDULENT CONVEYANCE; AND
- (6) ACCOUNTING

JURY TRIAL DEMANDED

Plaintiffs Nadine Macaluso ("Macaluso"), individually and as a shareholder of SBP Property Investments, Inc., and George Benedict ("Benedict"), as trustee of the Belfort Family Trust ("Belfort Trust") and as a shareholder of SBP Property Investments, Inc, file this Complaint against defendants SBP Property Investments, Inc., a Nevada corporation ("SBP"); Harry Shuster; Nita Shuster; Stanley Shuster; Brian Shuster; Shanalee Plaza, Inc., a Nevada corporation ("Shanalee Plaza"); and DOES 1

1 through 10, upon personal knowledge as to themselves and their own acts and upon information and
2 belief as to all other matters as follows:

3 Nature of the Action

4 1. This action concerns investments made by plaintiffs in a Nevada corporation, SBP,
5 which in turn owned real property in Nevada. Through a series of improper, illegal, and fraudulent
6 actions taken by defendants -- including a convicted felon and his complicit family members --
7 plaintiffs' interests in those investments have been improperly encumbered, converted, and
8 fraudulently transferred to new corporations.

9 2. Because the harms defendants caused affected SBP as a corporation, plaintiffs bring
10 this derivative shareholder action for the benefit of nominal defendant SBP against other shareholders,
11 members of its board of directors and certain executive officers.

12 3. Faced with a criminal conviction and a substantial money judgment against him,
13 defendant Harry Shuster, with the knowing assistance of his complicit family members, elected to
14 adhere to his fraudulent past, even in negotiations with the United States government. Rather than
15 secure his debt to the United States with his own assets, defendants proceeded to encumber the assets
16 of SBP, a corporation in which plaintiff Macaluso and a trust intended to benefit two young children
17 own stock, and fraudulently conveyed those assets to entities in which plaintiffs had no interest.

18 4. In their first cause of action for declaratory relief, plaintiffs seek to determine the
19 parties' respective corporate and real property interests at issue herein. Plaintiffs also allege that
20 defendants converted the assets of plaintiffs' corporate interests, breached fiduciary duties owed to
21 plaintiffs with regard to those interests, fraudulently concealed encumbrances on the corporate and real
22 property interests of plaintiffs, and fraudulently conveyed the assets of plaintiffs' corporate interests to
23 a corporation in which plaintiffs have no interest. Plaintiffs also seek an accounting to plaintiffs with
24 regard to their corporate and real property interests.

25 Parties

26 5. Plaintiff Nadine Macaluso ("Macaluso") is an individual residing in the State of
27 California.

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1 6. Plaintiff George Benedict ("Benedict") is an individual residing in the State of New
2 York. He is trustee of the Belfort Family Trust ("Belfort Trust"). Benedict joins this action as a
3 plaintiff only in his capacity as trustee of the Belfort Trust, and not in his personal or individual
4 capacity.

5 7. Nominal Defendant SBP Property Investments, Inc. ("SBP") is a Nevada corporation.

6 8. Plaintiffs are informed and believe, and on that basis allege, that defendant Harry
7 Shuster is an individual residing in the State of Nevada and a majority shareholder and an officer
8 and/or director of SBP and Shanalee Plaza, and he is being sued both as an individual and in his
9 corporate fiduciary capacities.

10 9. Plaintiffs are informed and believe, and on that basis allege, that defendant Nita
11 Shuster, wife of Harry Shuster, is an individual residing in the State of Nevada and that Nita may have
12 been, from time to time, an officer and/or director of SBP.

13 10. On information and belief, defendant Stanley Shuster is an individual residing in the
14 State of Nevada and an officer and/or director of Shanalee Plaza, and he is being sued both as an
15 individual and in his capacity as an officer and/or director of Shanalee Plaza.

16 11. On information and belief, defendant Brian Shuster is an individual residing in the State
17 of Nevada and an officer and/or director of Shanalee Plaza, and he is being sued both as an individual
18 and in his capacity as an officer and/or director of Shanalee Plaza.

19 12. Defendant Shanalee Plaza, Inc. ("Shanalee Plaza") is a Nevada corporation that holds
20 real property belonging to SBP. Plaintiffs are not aware of the true relationship between SBP and
21 Shanalee Plaza, but plaintiffs have recently learned that SBP may have changed its name to Shanalee
22 Plaza. In that event, plaintiffs bring this action against Shanalee Plaza as a nominal defendant.

23 13. Does 1 through 10, inclusive, are other individuals or entities whose true names and
24 capacities are presently unknown but who are responsible in whole or in part for the wrongs alleged
25 herein. Plaintiffs therefore sue such defendants by fictitious names and will seek leave of Court to
26 amend this Complaint to allege the true names and capacities of the fictitiously named defendants
27 when their names and capacities are ascertained.

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1 14. Plaintiffs are informed and believe, and on that basis allege, that at all material times,
2 defendants, and each of them, whether named or fictitiously designated, were the duly authorized
3 agents, servants, employees, joint venturers, and/or co-conspirators of the other defendants, and each
4 of them, and committed the acts alleged herein in the course and scope of their agency, service,
5 employment, representation, joint venture or conspiracy, and that each of them was acting with the
6 permission and consent of every other defendant.

7 15. At all times herein mentioned, and at the time of the transactions complained of herein,
8 plaintiffs were the record or beneficial holders of 35% of the shares of SBP. To the extent SBP
9 changed its name to Shanalee Plaza, plaintiffs are the record or beneficial holders of 35% of the shares
10 of Shanalee Plaza.

11 16. Plaintiffs did not make any effort to secure action from the board of directors of SBP
12 (or Shanalee Plaza) in prosecuting this action because any such effort would have been futile in that a
13 majority of the members of the board intentionally and directly participated in the wrongs alleged
14 herein.

15 17. As set forth herein, defendants directly participated in numerous schemes to enrich
16 themselves at the expense and to the detriment of SBP (which may now be known as Shanalee Plaza)
17 and the Plaintiffs. Defendants' conduct described herein could not have been the product of legitimate
18 business judgments, as it was based on intentional, reckless, and self-interested misconduct. These
19 blatant violations of their fiduciary duties of care and loyalty render them incapable of considering a
20 demand with regard to their direct personal interest in the conduct challenged herein. Accordingly,
21 demand is excused for being futile.

22 18. However, on December 28, 2005, plaintiffs delivered to SBP (which may now be
23 known as Shanalee Plaza), via U. S. Mail, a true copy of the complaint that plaintiffs proposed to file.

24 19. If plaintiffs are successful in this action, a substantial benefit will result to defendant
25 SBP (which may now be known as Shanalee Plaza), on whose behalf this action is prosecuted, and
26 plaintiffs are entitled to their attorney's fees incurred herein.

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Jurisdiction and Venue

20. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332 because there is complete diversity of citizenship between the Plaintiffs and the Defendants and the amount in controversy exceeds \$75,000.

21. Venue is proper in this district pursuant to 28 U.S.C. § 1391(a) because a substantial part of the events giving rise to the claims occurred in this district.

22. This action is not a collusive one brought to confer jurisdiction on a Court of the United States which it would not otherwise have.

General Allegations

A. The Westwood Property

23. In or about October 1994, defendant Harry Shuster approached Jordan Belfort (Belfort) regarding the opportunity to invest in an office building in West Los Angeles. Belfort, who was at the time married to plaintiff Nadine Macaluso (then Nadine Belfort), informed his wife of the investment opportunity, and she agreed to invest in the building. Belfort also shared the investment opportunity with his friend, Daniel Porush ("Porush"), who also agreed to participate in the investment.

24. On or about October 1994, plaintiffs, Porush, and defendants formed a corporation, known as 1990 Westwood Boulevard, Inc. ("Westwood, Inc"), to invest in and manage a multi-story office building located at 1990 Westwood Boulevard, Los Angeles, California 90025 ("Westwood Property"). The 1995 federal tax return for Westwood, Inc. shows that the business of the corporation was to invest in and manage real property. Attached as Exhibit A, and incorporated herein by reference, is a true and correct copy of the 1995 "U.S. Income Tax Return for an S Corporation" and accompanying depreciation schedules for Westwood, Inc.

25. Macaluso purchased and owns 17% of the shares of Westwood, Inc. The Belfort Trust purchased and owns 17% of Westwood, Inc. In a stock certificate issued to Macaluso by Westwood, Inc., Westwood, Inc. incorrectly characterizes Macaluso's interest as 35% of the corporation in her own name, rather than 17% in her name and 17% in the name of the Belfort Trust. Attached as Exhibit B, and incorporated herein by reference, is a true and correct copy of the Westwood, Inc. Stock Certificate of Nadine Belfort [Macaluso]. Macaluso's (and the Belfort Trust's) 35% interest in

1 Westwood, Inc. is also apparent in Macaluso's 1994 California K-1. Attached as Exhibit C, and
2 incorporated herein by reference, is a true and correct copy of Macaluso's "1994 Shareholder's Share of
3 Income, Deductions, Credits, etc. -- California Schedule K-1(100S)."

4 26. Initially, Harry Shuster purchased 50% of the shares, while Porush purchased the
5 remaining 15% of the shares of Westwood, Inc. This allocation of shares is evidenced by a
6 communication from Harry Shuster to Belfort, soliciting a purchase of Porush's interest in Westwood,
7 Inc. Attached as Exhibit D, and incorporated herein by reference, is a true and correct copy of a
8 February 18, 1998 telefax with attached letter from Shuster to Porush. (As explained in paragraph 33,
9 below, Porush later sold his interest in Westwood, Inc. to Harry Shuster).

10 27. Consistent with Macaluso's interest in Westwood, Inc., defendants were then
11 forwarding to Macaluso documents pertaining to the corporation, such as the 1995 federal tax return
12 and depreciation schedules for Westwood, Inc. See Exhibit A.

13 B. The Nevada Property.

14 28. In or about late 1994, Harry Shuster solicited additional funds from Belfort for another
15 real property investment deal. The deal concerned 8 acres of raw land in or around Las Vegas, Nevada
16 ("Nevada Property") that Harry Shuster, Porush, and Belfort would develop for commercial use.
17 Attached as Exhibit E, and incorporated herein by reference, is a true and correct copy of a December
18 14, 1994 telefax from Harry Shuster to Jordan Belfort reflecting their agreement to pursue the Nevada
19 real property deal.

20 29. Belfort conferred with his wife, Macaluso, who agreed to invest in the Nevada Property.
21 Macaluso and the Belfort Trust together transferred approximately \$463,000 to Westwood, Inc. for the
22 purpose of investing in the Nevada property.

23 30. Of the approximately \$463,000, Macaluso invested approximately \$238,000 in the
24 Nevada Property. Her investment is reflected in a letter from her to her bank, National Westminster
25 Bank, in which she requested that the sum of \$238,000 be transferred to an account owned by
26 Westwood, Inc. Attached as Exhibit F, and incorporated herein by reference, is a true and correct copy
27 of the March 7, 1995 letter to National Westminster Bank.

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31. Of the approximately \$463,000, the Belfort Trust invested approximately \$225,000 in the Nevada Property, as reflected by a letter from the trustee, then Stephen Drescher, to National Westminster Bank, requesting that sum to be transferred to an account owned by Westwood, Inc. Attached as Exhibit G, and incorporated herein by reference, is a true and correct copy of the March 7, 1995 letter from Stephen Drescher to National Westminster Bank. The Belfort Trust's investment is also reflected in its bank account statement for that period. Attached as Exhibit H, and incorporated herein by reference, is a true and correct copy of the NatWest Bank Statement of Account for The Belfort Family Trust, reflecting the statement period of February 16, 1995, through March 16, 1995.

32. All or some of the Defendants then created SBP, a Nevada corporation, for the purpose of holding the Nevada Property. Westwood, Inc. transferred plaintiffs' investment money to SBP, which, in turn, purchased, and took title to, the Nevada Property, located at 1501 W. Sunset Road, Henderson, Nevada. SBP's interest in the Nevada Property is reflected in a preliminary title report on the property. Attached as Exhibit I, and incorporated herein by reference, is a true and correct copy of the Preliminary Title Report of 1501 W. Sunset Road, Henderson, Nevada.

33. In or about December 1997, Harry Shuster purchased Porush's interests in Westwood, Inc. and SBP for approximately \$275,000, leaving Harry Shuster with a 65% interest in each of those corporations. Harry Shuster's purchase of Porush's interests is evidenced by a telefax he sent to Belfort, attached as Exhibit E.

34. On or about February 18, 1998, consistent with the fiduciary duty shareholders and officers and directors of a closely-held corporation owe to one another, Harry Shuster invited Belfort and Macaluso to purchase some of the former Porush interest. This invitation is evidenced by a telefax he sent to Belfort, attached as Exhibit E. Belfort and Macaluso declined the invitation to do so.

35. Plaintiffs have recently obtained information that suggests that SBP changed its name to Shanalee Plaza, Inc.

C. Harry Shuster's Indictment and Conviction.

36. On October 26, 2000, a federal grand jury issued an indictment charging Harry Shuster with securities fraud, conspiracy to commit securities fraud, and conspiracy to launder money.

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1 37. On or about August 1, 2001, Harry Shuster was convicted of conspiracy to commit
2 money laundering in violation of 18 U.S.C. § 1956(h). On September 17, 2001, the court entered a
3 post-conviction restraining order, prohibiting Harry Shuster, and any person or entity acting on his
4 behalf, from undertaking any action that would devalue his assets. Harry Shuster's conviction and the
5 entry of the restraining order are addressed in the Consent Order of Forfeiture he entered into with the
6 United States. Attached as Exhibit J, and incorporated herein by reference, is a true and correct copy
7 of the Consent Order of Forfeiture ("Consent Order").

8 38. In June 2002, Harry Shuster, Nita Shuster, Brian Shuster, and Stanley Shuster signed a
9 Promissory Note in the amount of \$6 million as part of an agreement to pay restitution to the United
10 States government. Attached as Exhibit K, and incorporated herein by reference, is a true and correct
11 copy of the Promissory Note dated June 18, 2002.

12 D. Fraudulent Mortgage Liens and Conveyances

13 39. Confronted with a substantial debt owed to the federal government, defendants hatched
14 a new and unlawful scheme to secure the \$6 million they promised the United States. Rather than
15 secure the debt with assets they actually owned, defendants looked to the properties that they held
16 jointly with plaintiff Macaluso and the Belfort Trust. As security for the promissory note, Harry
17 Shuster and Nita Shuster granted a mortgage lien on the Westwood Property to the federal
18 government. Harry Shuster signed the promissory note on June 18, 2002, in his individual capacity
19 and in his purported capacity as President and Chief Executive Officer of Westwood, Inc. Nita Shuster
20 signed the promissory note on June 19, 2002, in her individual capacity and in her purported capacity
21 as Secretary and Chief Financial Officer. The promissory note is attached as Exhibit K.

22 40. Harry Shuster and Nita Shuster knew that plaintiffs held a 35% interest in Westwood,
23 Inc. Nevertheless, they intentionally concealed the plaintiffs' interest from the federal government and
24 concealed the mortgage liens from plaintiffs.

25 41. As additional security for the promissory note in favor of the federal government, Harry
26 Shuster, Brian Shuster, and Stanley Shuster granted the government a mortgage lien on the Nevada
27 Property owned by SBP. A title report on the Nevada Property shows that SBP held title to it until
28 SBP conveyed the property to Shanalee Plaza in 2005. On information and belief, Harry Shuster,

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1 Brian Shuster, and Stanley Shuster represented to the federal government that Shanalee Plaza had title
2 to the Nevada Property in 2002. They purported to grant the lien on the Nevada Property in the name
3 of Shanalee Plaza. (It is unknown to plaintiffs if and when SBP changed its name to Shanalee Plaza)
4 Harry Shuster signed the note on June 18, 2002, in his purported capacity as President and Chief
5 Executive Officer of Shanalee Plaza. Brian Shuster signed the note on June 19, 2002 in his purported
6 capacity as Secretary and Chief Financial Officer. Stanley Shuster signed the note on June 19, 2002,
7 in his purported capacity as a shareholder. The promissory note is attached as Exhibit K.

8 42. At all relevant times, Harry Shuster, Brian Shuster, and Stanley Shuster knew that
9 plaintiffs held a 35% interest in SBP (which may now be known as Shanalee Plaza). Nevertheless,
10 they intentionally concealed the plaintiffs' interest in SBP (and/or Shanalee Plaza) and the Nevada
11 Property from the federal government and concealed the mortgage liens from the plaintiffs. On
12 information and belief, they also represented that Shanalee Plaza held title to the Nevada Property
13 before 2005, when a title report shows that SBP conveyed the property to Shanalee Plaza, fully
14 expecting the federal government to rely on this representation to the detriment of plaintiffs.

15 43. On June 18, 2002, Harry Shuster executed a purported "Unanimous Joint Written
16 Consent of Shareholders, Directors and Officers of 1990 Westwood Blvd., Inc." In it, Harry Shuster
17 falsely represented that he had obtained the approval of all shareholders, directors, and officers of
18 Westwood, Inc. for purposes of encumbering its real property by the Promissory Note and a Deed of
19 Trust when, as he was aware, plaintiffs were never notified of, and did not consent to, this action.
20 Attached as Exhibit L, and incorporated herein by reference, is a true and correct copy of the purported
21 Unanimous Joint Written Consent of Shareholders, Directors and Officers of 1990 Westwood Blvd.,
22 Inc.

23 44. In preparing the "Unanimous Joint Written Consent of Shareholders, Directors and
24 Officers of 1990 Westwood Blvd., Inc.," Harry Shuster was aware that the United States government
25 would rely on his false representations to the detriment of Macaluso and the Belfort Trust.

26 45. Harry Shuster intentionally concealed the encumbrance of plaintiffs' interests from
27 plaintiffs and the United States.

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1 46. On June 19, 2002, Nita Shuster executed a "Secretary's Certificate" in her capacity as
2 Secretary of Westwood, Inc., in which she falsely stated that the shareholders, directors, and officers of
3 the corporation approved "by Unanimous Joint Written Consent" the promissory note and a deed of
4 trust granting a mortgage lien to the United States on the real property owned by that corporation
5 when, as she was aware, plaintiffs were never notified of, and did not consent to, this action. Attached
6 as Exhibit M, and incorporated herein by reference, is a true and correct copy of the Westwood, Inc.
7 Secretary's Certificate.

8 47. In preparing the "Secretary's Certificate," Nita Shuster was aware that the United States
9 government would rely on her false representations to the detriment of Macaluso and the Belfort Trust.

10 48. Nita Shuster intentionally concealed the encumbrance of plaintiffs' interests from
11 plaintiffs and the United States.

12 49. In the Consent Order, Harry Shuster and Nita Shuster falsely represented that they had
13 the legal authority to sell or encumber the Westwood Property. Harry Shuster and Nita Shuster also
14 falsely represented that they had obtained the approval of all of the Westwood, Inc. shareholders. The
15 Consent Order is attached as Exhibit J.

16 50. In the Consent Order, Harry Shuster and Nita Shuster falsely represented that they had
17 the legal authority to sell or encumber the real property owned by SBP(which may now be known as
18 Shanalee Plaza). They also falsely purported to encumber the real property of SBP (and/or Shanalee
19 Plaza). The Consent Order is attached as Exhibit J.

20 51. Both Harry Shuster and Nita Shuster agreed in the Consent Order, attached as Exhibit J,
21 not to convey or encumber the real property held by the corporations without the approval of the
22 United States.

23 52. To further their unlawful scheme, defendants sought to obscure plaintiffs' interests in
24 the California and Nevada corporations and real properties by fraudulently assigning and conveying
25 the assets of Westwood, Inc. and SBP to other corporate entities.

26 53. In or around early 2003, without seeking the approval of plaintiffs, defendants
27 fraudulently conveyed the Westwood Property (held by Westwood, Inc.) to a different entity,
28 Westwood, LLC. This fraudulent conveyance of the interests of Westwood, Inc. is reflected in a grant

1 deed for the Westwood Property. Attached as Exhibit N, incorporated herein by reference, is a true
2 and correct copy of a Grant Deed for the Westwood Property.

3 54. In or about October 2005, without notifying or seeking the approval of plaintiffs,
4 defendants conveyed the real property held by SBP to Shanalee Plaza. This conveyance is reflected in
5 the Nevada Property's title report, attached as Exhibit I. Plaintiffs are not aware of the true relationship
6 between SBP and Shanalee Plaza. If plaintiffs merely changed its name to Shanalee Plaza, it is unclear
7 why SBP would transfer title to the Nevada Property to Shanalee Plaza in 2005. Plaintiffs are
8 informed and believe, and on that basis allege, that this conveyance and/or name change was part of
9 defendants' scheme to improperly encumber the assets of plaintiffs without their knowledge or consent
10 and to conceal from the federal government plaintiffs' interest in the entity(ies) that owned the Nevada
11 Property.

12 FIRST CAUSE OF ACTION

13 (Declaratory Relief)

14 55. Plaintiffs incorporate by reference and reallege each and every allegation as set forth
15 above as if fully set forth herein.

16 56. Plaintiffs' rights and obligations with regard to its corporate and real property interests
17 are proper subjects of declaratory relief.

18 57. An actual controversy exists with regard to the legal rights and duties of the parties.
19 Plaintiffs' interests are adversely affected by the mortgage lien imposed on, and fraudulent conveyance
20 of, the Nevada real property. Moreover, plaintiffs have not been, and are not now receiving, amounts
21 owed to them from rent or profits from the real property. Without a declaration of plaintiffs' rights and
22 obligations with regard to its corporate and real property in Nevada in light of defendants' fraudulent
23 schemes, plaintiffs are unable to dispose of assets they lawfully own.

24 58. Plaintiffs seek a declaration that:

- 25 (a) they own 35% of the shares and assets of SBP;
- 26 (b) the Nevada Property is properly the property of SBP; and/or
- 27 (c) they own a 35% interest in Shanalee Plaza; and
- 28 (d) they are entitled to 35% of all the rents and income from the real property

located at 1501 W. Sunset Road, Henderson, Nevada.

SECOND CAUSE OF ACTION

(Conversion)

(Against Harry Shuster, Nita Shuster, Stanley Shuster, and Brian Shuster)

59. Plaintiffs incorporate by reference and reallege each and every allegation as set forth above as if fully set forth herein.

60. This is a claim brought by plaintiffs against Harry Shuster, Nita Shuster, Stanley Shuster, and Brian Shuster.

61. At all relevant times, Plaintiffs owned a 35% interest in SBP (and/or Shanalee Plaza).

62. Defendants wrongfully converted the plaintiffs' ownership interests in SBP (which may now be known as Shanalee Plaza) to their own use, which proximately caused damage to plaintiffs. By encumbering the Nevada Property to satisfy defendants' personal obligations, defendants' significantly devalued plaintiffs' property and caused damages to plaintiffs.

63. Defendants willfully and knowingly acted to damage plaintiffs' interests, did so with malice, oppression, and fraud, and in conscious disregard of plaintiffs' rights.

64. Plaintiffs are entitled to damages in an amount to be determined at trial. Plaintiffs are entitled to an award of said damages, as well as an award of punitive damages.

THIRD CAUSE OF ACTION

(Breach of Fiduciary Duty)

(Against Harry Shuster, Nita Shuster, Brian Shuster, and Stanley Shuster)

65. Plaintiffs incorporate by reference and reallege each and every allegation as set forth above as if fully set forth herein

66. This is a claim brought by plaintiffs, individually and on behalf of SBP, against Harry Shuster, Nita Shuster, Brian Shuster, and Stanley Shuster.

67. At all relevant times, these defendants were officers, directors, and/or majority shareholders of SBP (which may now be known as Shanalee Plaza). As such, they owed fiduciary duties of care and loyalty to plaintiffs, who own a 35% interest of the corporation.

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1 lien on the Nevada Property in the name of Shanalee Plaza.

2 77. At all relevant times, Harry Shuster, Brian Shuster, and Stanley Shuster knew that
3 plaintiffs held a 35% interest in SBP (which may now be known as Shanalee Plaza). Nevertheless,
4 they intentionally concealed the plaintiffs' interest in SBP (and/or Shanalee Plaza) and the Nevada
5 Property from the federal government and concealed the mortgage liens from the plaintiffs. On
6 information and belief, they also represented that Shanalee Plaza held title to the Nevada Property
7 before 2005, when a title report shows that SBP conveyed the property to Shanalee Plaza, fully
8 expecting the federal government to rely on this representation to the detriment of plaintiffs.

9 78. Defendants impliedly and/or expressly represented to plaintiffs, as well as the federal
10 government, that their interests would be protected. Defendants further impliedly and/or expressly
11 represented to plaintiffs that plaintiffs would be treated fairly. Notwithstanding those promises, their
12 actions show that they never had any intention of performing the representations they made to
13 plaintiffs or the federal government. Defendants willfully and knowingly acted to harm plaintiffs'
14 interests, did so with malice, oppression, and fraud, and in conscious disregard of plaintiffs' rights.

15 79. As shareholders with significant interests in SBP (and/or Shanalee Plaza) and its assets,
16 the plaintiffs were owed a duty by the defendants to disclose material facts relating to those interests.
17 Notwithstanding defendants' duty, defendants concealed their encumbrance of the plaintiffs' interests
18 from plaintiffs with the intent to defraud them.

19 80. Defendants never notified plaintiffs of the mortgage liens against their interests.
20 Plaintiffs were unaware of the mortgage liens and would not have assented to the encumbrances had
21 they been notified as was required.

22 81. Defendants' fraud proximately caused plaintiffs damages in an amount to be proved at
23 trial. Plaintiffs are entitled to an award of said damages, as well as an award of punitive damages.

24 FIFTH CAUSE OF ACTION

25 (Fraudulent Conveyance)

26 (Against Harry Shuster, Nita Shuster, Brian Shuster, Stanley Shuster, and Shanalee Plaza)

27 82. Plaintiffs incorporate by reference and reallege each and every allegation as set forth
28 above as if fully set forth herein.

1 83. This is a claim brought by plaintiffs against Harry Shuster, Nita Shuster, Brian Shuster,
2 Stanley Shuster and Shanalee Plaza.

3 84. Notwithstanding the defendants' awareness of plaintiffs' interests in SBP (which may
4 now be known as Shanalee Plaza), defendants were intent on furthering their unlawful scheme of
5 encumbering and obscuring plaintiffs' corporate and real property interests. In or about October 2005,
6 without notifying or seeking the approval of plaintiffs, these defendants conveyed the Nevada Property
7 from SBP to Shanalee Plaza.

8 85. Defendants intentionally encumbered plaintiffs' interest without plaintiffs' approval and
9 intentionally concealed this fact from plaintiffs. Defendants willfully and knowingly acted to harm
10 plaintiffs' interests, did so with malice, oppression, and fraud, and in conscious disregard of plaintiffs'
11 rights.

12 86. Defendants' wrongdoing, as alleged above, has proximately caused plaintiffs damages
13 in an amount to be proved at trial. Plaintiffs are entitled to an award of said damages, as well as an
14 award of punitive damages.

15 SIXTH CAUSE OF ACTION

16 (Accounting)

17 (Against all Defendants)

18 87. Plaintiffs incorporate by reference and reallege each and every allegation as set forth
19 above as if fully set forth herein.

20 88. This is a claim brought by plaintiffs against all defendants.

21 89. As set forth above, defendants breached their fiduciary duties to plaintiffs and engaged
22 in fraud.

23 90. Defendants owe a balance to plaintiffs in an amount that can only be ascertained by an
24 accounting.

25 91. Plaintiffs therefore seek an equitable accounting of all shares in SBP and Shanalee
26 Plaza ever owned or controlled by the defendants, or by third-party persons or entities under their
27 control, as well as of the profit obtained upon the sale of any such shares.

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WHEREFORE, Plaintiffs pray for judgment as follows:

1. For compensatory damages in an amount to be proved at trial;
2. For punitive and exemplary damages in sum sufficient to punish defendants and deter similar wrongdoing by others;
3. For an order declaring that plaintiffs are 35% shareholders in the entity that owns the Nevada Property and that plaintiffs are intitled to 35% of all of the rent, issues and profits from the Nevada Property;
4. For an order appointing a receiver to prevent the devaluing of the real property at issue;
5. For attorneys' fees and costs as authorized by law;
6. For an accounting by defendants of all the plaintiffs' interests relating to the corporations and real property at issue; and
7. For such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Trial by jury is hereby demanded for all issues so triable.

DATED: December 30, 2005

By _____/s/

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